

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

**Minutes of
REGULAR MEETING**

October 27, 2010

7:30 PM

Call to Order

The meeting was called to order by Mr. Bailey, Acting Chair, at 7:51 p.m.

Attendance

Members of the Agency (the “Members”) in attendance were:

Lamont R. Bailey
Christopher A. Gioia
Albert E. Handy
Rodney A. Caines

Agency staff present consisted of:

Dermot F. Kelly
Joseph Santamaria, Interim Executive Director
Patrice P. Allen, Administrative Assistant
Andrew M. Hyman, In-house Counsel

Minutes of Meeting Held on August 26, 2010

Upon the motion of Mr. Handy, seconded by Mr. Gioia, the minutes of the meeting held on August 26, 2010 were unanimously adopted.

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

Minutes of

REGULAR MEETING

October 27, 2010

7:30 PM

Interim Executive Director's Report

The Interim Executive Director's Report consisted of the following:

Community Development Block Grant ("CDBG") Program

The CDBG 36th Program Year application in the amount of \$1,063,888 was adopted by resolution of the Town of North Hempstead (the "Town") Town Board on October 26, 2010. In addition to the Town of North Hempstead, the Nassau County (the "County") Office of Community Development ("OCD") 36th Program Year subrecipient agreement will now have the Agency added as a signatory.

A ribbon cutting ceremony hosted by Town Supervisor Kaiman and the Town Board took place in New Cassel on Prospect Avenue, October 27, 2010. Those also in attendance were Congresswoman Carolyn McCarthy, County Legislator Robert Troiano, Town Councilwoman Viviana Russell, Acting Chair of the Community Development Agency (the "CDA") Lamont R. Bailey, and Bishop Lionel Harvey. The developers and builders thanked the CDA for its efforts in assisting in the redevelopment of the projects, commonly referred to as Sites B and C.

Operations:

Copies of the chart of accounts balance sheets from OCD, Monthly Bank Statements and the Agency's reconciliation were given to the Members for review.

Cash Balances:

- Citibank –Lump Sum Account - \$470,766.82
- State Bank of Long Island - Program Income Account - \$836,470.93
- Citibank –Escrow Account - \$50,910.95

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

Minutes of

REGULAR MEETING

October 27, 2010

7:30 PM

New Cassel Urban Renewal Plan

Site H (Pilot Project) – Sandra Acosta, the principal for A & C Development Partners and New Cassel, LLC (the “Redeveloper”), is the developer of Site H. On October 13, 2010 the Redeveloper signed the Agency’s Grant Agreement for \$500,000, and also closed on an extension of and increase in its construction loan from Banco Popular. The Grant obligation was met and this allowed the payment of \$260,000.00 for refinancing and the remainder of the \$240,000.00 will be awarded to first time home buyers. For the retail units the sneaker store is up and running. The Pharmacy project is pending due to an approval inspection from the NYS Board of Pharmacy which is awaiting proper signage to be installed.

Site D - The Bank of New York Mellon (“BONY Mellon”) has not submitted the changes to the land disposition agreement for the eventual sale of the units. Outside counsel to the Agency will follow up.

Site A – The 57 apartments are 100% occupied. On the commercial space, with respect to a lease for a daycare center of 8,000 square feet, an application for variances was rejected by the Town Board of Zoning Appeals (the “BZA”). The dental office is open for business. A lease of 1,000 square feet for a beauty salon has been signed. The salon applied for and received permits. The Town Department of Buildings inspected the completed work and identified minor items that need to be addressed. The salon should be open for business soon. A Caribbean restaurant called Paradise Cove has signed a lease for about 2000 square feet that will be both a take out and table service restaurant. Last week a conditional use permit was given by the BZA and currently started the process for filing building permits.

Bluestone continues to seek prospective tenants such as a Pizza/Italian restaurant estimated to need 2000 square feet and a Pharmacy needing about 6000 square feet.

Site B - Work resumed in November 2009 and is slightly behind schedule. The contractor’s work is 51% complete, including retail interiors. Glass and storefronts have also been installed. Completion is expected in December 2010.

Site C - The contractor’s work is 75% complete. The Nassau County Fire Marshall inspected the premises yesterday.

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

Minutes of

REGULAR MEETING

October 27, 2010

7:30 PM

Marketing for the apartments began in early September. The deadline for applications was October 11, 2010. The lottery for Site C took place on October 20, 2010, Mr. Santamaria and Mr. Kelly were in attendance. Approximately 174 applications were received and 149 applications meet the submission date deadline. The other 25 applications that did not meet this requirement will be considered on a first come first serve basis. Of the applications that were received 73 applications were from New Cassel residents. Wavecrest Management will continue to underwrite these applications and anticipates beginning occupancy November 2010. Site B occupancy will follow the same procedure and is expected to start by December 2010. Unified New Cassel Community Revitalization Corporation (UNCCRC) will be playing an integral roll in the lottery process along with the redeveloper's property manager and the developer's Management Team.

Prospect Avenue Parking Area & 714 Prospect Avenue – The Town Highway Department demolished the building at 714 Prospect Avenue, and is ready to start construction of the remainder of the parking lot. CDA hopes to transfer these properties to the Town in the coming year.

Prospect Avenue Streetscape Redesign and Reconstruction –Work on the south side has commenced on the eastern part of Prospect Avenue. All utility upgrades and most sidewalks are complete. Street medians and crosswalks will be installed next. Completion of all work is expected in December 2010.

Community Center – The construction contract was awarded to Racanelli Construction, Inc. of Melville, N.Y. The base contract amount is \$20,000,899. Sixteen (16) bids were received, the highest being \$29,975,000. The Town anticipates the start of construction in the fall of this year.

Site E - Sheldrake indicated that they have received funding, and mailed what they claimed was a commitment. The document turned out to be an unexecuted term sheet with about 20 conditions that have to be met. They did not appear to have a commitment in place.

Upon the motion of Mr. Handy, duly seconded by Mr. Gioia, the Interim Executive Director's Report was accepted and approved unanimously.

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

Minutes of

REGULAR MEETING

October 27, 2010

7:30 PM

For Consideration

RESOLUTION NO. 42 (2010)

**A RESOLUTION ESTABLISHING MEETING DATES FOR THE AGENCY'S
GOVERNANCE AND AUDIT COMMITTEES.**

WHEREAS, pursuant to Resolution No. 8 (2009), duly adopted at its meeting duly held on March 25, 2009, the members (the "Members") of the Town of North Hempstead Community Development Agency (the "Agency") formed a Governance Committee; and

WHEREAS, pursuant to Resolution No. 9 (2009), duly adopted at its meeting duly held on March 25, 2009, the members (the "Members") of the Town of North Hempstead Community Development Agency (the "Agency") formed an Audit Committee; and

WHEREAS, pursuant to the Public Authorities Accountability Act of 2005, and amended by the Public Authorities Reform Act of 2009, each Committee is required to meet no fewer than twice per fiscal year; and

WHEREAS, the Members wish to schedule meeting dates for each Committee.

NOW, THEREFORE, BE IT

RESOLVED, that the Members hereby schedule the following meeting dates for the Committees, which shall be held at the times set forth below at the offices of the Agency, 51 Orchard Street, Roslyn Heights, New York:

Governance Committee

November 17, 2010 at 8:45 p.m.

December 15, 2010 at 7:00 p.m.

Audit Committee

November 17, 2010 at 9:00 p.m.

December 15, 2010 at 7:15 p.m.

Upon the resolution of Mr. Gioia, duly seconded by Mr. Caines, the resolution was unanimously adopted.

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

Minutes of

REGULAR MEETING

October 27, 2010

7:30 PM

RESOLUTION NO. 43 (2010)

A RESOLUTION AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH THE NASSAU COUNTY OFFICE OF HOUSING AND INTERGOVERNMENTAL AFFAIRS FOR THE RECEIPT OF COMMUNITY DEVELOPMENT BLOCK GRANT 36th PROGRAM YEAR FUNDS.

WHEREAS, the Secretary of the U.S. Department of Housing and Urban Development (the “Secretary”) is authorized under Title I of the Housing and Community Development Act of 1974, as amended (the “Act”), to make grants to states and other local governments (“CDBG Funds”) to help finance their Community Development Programs; and

WHEREAS, Nassau County (the “County”) and the Town of North Hempstead (the “Town”) previously entered into a Cooperative Agreement, as amended, to participate in Community Development Programs (the “Cooperative Agreement”); and

WHEREAS, pursuant to the Cooperative Agreement, the County and the Town, acting by and through the Town of North Hempstead Community Development Agency (the “Agency”) agreed to undertake project activities (“Project Activities”) using CDBG Funds under the Act, to be received by the County for the 36th Program Year; and

WHEREAS, the Secretary has approved an application for Community Development Block Grant Funds under the Act, submitted by the County and participating municipalities for the 36th Program Year; and

WHEREAS, the County has allocated CDBG Funds in the amount of One Million Sixty Three Thousand (\$1,063,000) Dollars to the Town for the 36th Program Year (the “CDBG Allocation”), and has proposed that the County and the Town enter into an agreement for the payment of the CDBG Allocation as consideration for the Agency, as the Town’s representative, undertaking and completing the Project Activities (the “CDBG Subrecipient Agreement”); and

WHEREAS, the members of the Agency (the “Members”) wish to authorize the Agency to enter into the CDBG Subrecipient Agreement.

NOW, THEREFORE, BE IT

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

Minutes of

REGULAR MEETING

October 27, 2010

7:30 PM

RESOLVED, that the Members hereby authorize the Agency to enter into the CDBG Subrecipient Agreement; and it is further

RESOLVED that the Acting Executive Director and any officer of the Agency is hereby authorized to execute the CDBG Subrecipient Agreement, to undertake the Project Activities with the CDBG Allocation and balances from prior year allocations, and to take such other action as may be reasonable and necessary to effectuate the foregoing.

Upon the resolution of Mr. Handy, duly seconded by Mr. Caines, the resolution was unanimously adopted.

RESOLUTION NO. 44 (2010)

A RESOLUTION APPROVING A BUDGET FOR THE 2011 FISCAL YEAR.

WHEREAS, the Town of North Hempstead (the “Town”) Community Development Agency (the “Agency”) is required under the Public Authorities Accountability Act of 2005, as amended by the Public Authorities Reform Act of 2009, to adopt and approve a budget sixty (60) days before its fiscal year; and

WHEREAS, Agency staff recommends that the Members adopt and approve the attached budget for the 2011 fiscal year (the “Staff Recommendation”); and

WHEREAS, the Members wish to authorize and adopt the Staff Recommendation.

NOW THEREFORE, BE IT

RESOLVED, that the Members hereby authorize and adopt the Staff Recommendation; and be it further

RESOLVED, that the Acting Executive Director of the Agency and any officer thereof are hereby authorized to execute such instruments and documents and to take such other action as may be necessary to carry out the foregoing.

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

Minutes of

REGULAR MEETING

October 27, 2010

7:30 PM

Upon the resolution of Mr. Handy, duly seconded by Mr. Caines, the resolution was unanimously adopted.

RESOLUTION NO. 45 (2010)

A RESOLUTION RATIFYING THE SUBORDINATION OF A LAND DISPOSITION AGREEMENT AND THE LIEN OF AN ENFORCEMENT MORTGAGE BETWEEN THE AGENCY AND NEW CASSEL LLC.

WHEREAS, pursuant to Resolution No. 4 (2010), duly adopted at a meeting of the members (the “Members”) of the Town of North Hempstead Community Development Agency (the “Agency”) duly held on January 28, 2010, as modified by Resolution No. 26 (2010), duly adopted by the Members at their meeting held on July 15, 2010, the Agency authorized the making of a \$500,000 grant (the “Grant”) to New Cassel, LLC (the “Redeveloper”) to assist it in funding a \$1,117,014 funding gap (the “Gap”) in its effort to convert, to permanent financing, a construction loan from Banco Popular (“Banco”) in connection with its redevelopment of real property located at 821-23 Prospect Avenue, Westbury, New York, identified on the Land and Tax Map as Section 11, Block 104, Lot 237 (the “Premises”) into a condominium complex (the “Project”) consisting of 3,589 square feet of retail space, and seven duplex condominium homeownership units (the “Residential Units”); and

WHEREAS, pursuant to a certain proposed term sheet, last revised June 28, 2010, Banco and the Redeveloper came to terms on a strategy to close the Gap involving, among other things, Banco agreeing to (i) modify its construction loan, including, without limitation, a project loan of \$165,631, into a \$2,290,000 modified and extended construction loan with a maturity date of February 9, 2011 (the “Extended Construction Loan”), and (ii) offer conventional mortgage financing to the purchasers of the Residential Units requiring, among other things, that 20% of the purchase price of the unit consist of a down payment; and

WHEREAS, on October 13, 2010, Banco and the Redeveloper closed on the Extended Construction Loan, and the Agency and the Redeveloper executed a certain grant agreement for the making of the Grant and disbursed \$260,000 thereof to the Redeveloper; and

WHEREAS, to facilitate the closing on the Extended Construction Loan, Agency staff agreed to the subordination of (i) the rights of the Agency under a certain land disposition agreement, dated as of August 2007, between the Agency and the Redeveloper setting forth the terms of the disposition of the Premises to and construction of the Project by the Redeveloper, and (ii)

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

Minutes of

REGULAR MEETING

October 27, 2010

7:30 PM

the lien of a certain enforcement mortgage, dated August 2007, securing indebtedness in the sum of \$244,999 (the "Subordination"); and

WHEREAS, the Members wish to ratify the Subordination.

NOW THEREFORE, BE IT

RESOLVED, that the Members hereby ratify the Subordination; and be it further

RESOLVED, that the Acting Executive Director of the Agency and any officer thereof are hereby authorized to execute such instruments and documents and to take such other action as may be necessary to carry out the foregoing.

Upon the resolution of Mr. Gioia, duly seconded by Mr. Caines, the resolution was unanimously adopted.

RESOLUTION NO. 46 (2010)

**A RESOLUTION AUTHORIZING THE AMENDING OF THE
INTERGOVERNMENTAL SERVICES AGREEMENT.**

WHEREAS, the Town of North Hempstead (the "Town") and the Town Community Development Agency (the "Agency") are parties to a certain intergovernmental contract for services, dated as of June 1, 2002, as amended by agreement dated as of November 16, 2005 (together, the "Intergovernmental Contract"), pursuant to which the Agency, on behalf of the Town, administers the Town's housing and economic development activities in exchange for the payment by the Town to the Agency of the Town's Community Development Block Grant ("CDBG"), HOME Investment Partnership Program ("HOME"), and Community Revitalization Program funds received by the Town from the County of Nassau (the "County"), by and through its Office of Community Development ("OCD"); and

WHEREAS, OCD has indicated that the Town must monitor the Agency to assure that the Agency's expenditure of CDBG and HOME funds and its conduct of programs and project therewith comply with rules and regulations pertaining to same issued and administered by the

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

Minutes of

REGULAR MEETING

October 27, 2010

7:30 PM

United States Department of Housing and Urban Development (“Monitoring Requirements”); and

WHEREAS, Agency staff recommends that the Members authorize the execution of an amendment to the Intergovernmental Contract to provide for the Monitoring Requirements, in form and substance acceptable to OCD (the “Staff Recommendation”); and

WHEREAS, the Members wish to authorize and adopt the Staff Recommendation.

NOW THEREFORE, BE IT

RESOLVED, that the Members hereby authorize and adopt the Staff Recommendation; and be it further

RESOLVED, that the Acting Executive Director of the Agency and any officer thereof are hereby authorized to negotiate and execute such instruments and documents and to take such other action as may be necessary to carry out the foregoing.

Upon the resolution of Mr. Handy, duly seconded by Mr. Caines, the resolution was unanimously adopted.

RESOLUTION NO. 47 (2010)

**A RESOLUTION AMENDING THE CALENDAR OF THE MEMBERS’
2010 REGULAR MEETINGS.**

WHEREAS, pursuant to Resolution No. 56 (2009), duly adopted at a meeting of the members (the “Members”) of the Town of North Hempstead Community Development Agency (the “Agency”) duly held on November 17, 2009, the Members established a schedule for their regular meetings to be held during the 2010 calendar year (the “Regular Meetings Schedule”); and

WHEREAS, to accommodate the meeting obligations of Agency Member Rodney A. Caines in his capacity as member of the Westbury Union Free School District, the Members wish to revise the Regular Meetings Schedule as follows (the “Regular Meetings Schedule Revision”):

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

Minutes of

REGULAR MEETING

October 27, 2010

7:30 PM

Date Meeting Originally Scheduled For	Date Meeting Is Rescheduled For
November 18, 2010	November 17, 2010
December 16, 2010	December 15, 2010

NOW THEREFORE, BE IT

RESOLVED, that the Members hereby authorize and adopt the Regular Meetings Schedule Revision; and be it further

RESOLVED, that the Acting Executive Director of the Agency and any officer thereof are hereby authorized to execute such instruments and documents and to take such other action as may be necessary to carry out the foregoing.

Upon the resolution of Mr. Handy, duly seconded by Mr. Gioia, the resolution was unanimously adopted.

Executive Session

Upon the motion of Mr. Bailey, the Members adjourned at 9:49 p.m. to Executive Session to discuss an Agency personnel matter.

Resumption of Public Session

The members of the Agency adjourned their Executive Session and resumed the public session of the meeting at 9:58 p.m., and considered the following resolution:

RESOLUTION NO. 48 (2010)

A RESOLUTION APPOINTING AN ACTING EXECUTIVE DIRECTOR OF THE AGENCY.

TOWN OF NORTH HEMPSTEAD COMMUNITY DEVELOPMENT AGENCY

Minutes of

REGULAR MEETING

October 27, 2010

7:30 PM

WHEREAS, by Resolution No. 32 (2010), duly adopted at its meeting duly held on July 26, 2010, the members (the “Members”) of the Town of North Hempstead Community Development Agency (the “Agency”), appointed Joseph Santamaria as Interim Executive Director of the Agency; and

WHEREAS, to enable Mr. Santamaria to return to his duties as Assistant Director and Director of Rehabilitation on a full-time basis, the Members wish to appoint Dermot Kelly as Acting Executive Director of the Agency, at an annual salary of \$125,000 per year, plus benefits traditionally provided by the Agency (the “Appointment”).

NOW, THEREFORE, BE IT

RESOLVED, that the Members hereby make the Appointment; and be it further

RESOLVED, that the Members thank Mr. Santamaria for his competent and capable service as Interim Executive Director of the Agency.

Upon the resolution of Mr. Handy, duly seconded by Mr. Caines , the resolution was unanimously adopted.

Adjournment

Upon the motion of Mr. Handy, seconded by Mr. Caines , the Members of the Agency, by unanimous vote, adjourned the meeting at 10:01 p.m.